

**JOINT LEGISLATIVE COMMISSION
ON MUNICIPAL INCORPORATIONS**



**REPORT TO THE
GENERAL ASSEMBLY
OF NORTH CAROLINA
Proposed Town of Rougemont
Original Report - July 13, 2005
Amended as to development only – May 30, 2007**

REPORT TO THE GENERAL ASSEMBLY

Proposed Incorporation of the Town of Rougemont

Original Report – July 13, 2005

Amended as to development only - May 30, 2007

The Joint Legislative Commission on Municipal Incorporations was created in 1986 by the General Assembly to conduct an independent review and evaluation of proposed municipal incorporations. This evaluation, to be conducted in accordance with a statutory set of objective criteria, is designed to allow the General Assembly to see the feasibility of the proposed new municipality. The Commission consists of four members of the General Assembly, one city official, and one county official. A list of members appears as Appendix A.

The statutory criteria require a review of community support, (a petition is required) populations, land development, nearness to other urban areas, and ability to provide municipal services at a reasonable tax rate. A copy of the statutes authorizing the Commission and setting up the review standards is attached as Appendix B.

The Commission received a petition proposing the incorporation of the Town of Rougemont in Durham County on January 31, 2005. a copy of the petition is attached as Appendix C.

The Commission, pursuant to G.S. 120-161, asked the Division of Community Assistance of the Department of Commerce to evaluate the petition. The Division conducted the evaluation and, based upon its report, the Commission found that the requirements of G.S. 120-163 and G.S. 120-164 had been met (a copy of the report is attached as Appendix D).

The Commission also requested that the Division of Community Assistance evaluate the proposed Town's petition for incorporation under G.S. 120-166 (a copy of the report is attached as Appendix E). The Division conducted the evaluation and determined that there are no municipalities within 5 miles of the proposed Town of Rougemont, and therefore that criteria had been satisfied.

The Commission further requested that the Division of Community Assistance evaluate the proposed Town's petition under G.S. 120-167 through G.S. 120-170 (a copy of the report is attached as Appendix F). The Division conducted the evaluation and determined that all statutory requirements had been met.

Pursuant to G.S. 120-169.1, the Commission requested that the Fiscal Research Department provide data that shows the impact on other municipalities

and counties of the diversion of already levied taxes or State-shared revenues to support services in the proposed Town of Rougemont (a copy of the report is attached as Appendix G). The data provided by the Department (based upon figures from 2004-2005) shows that sales tax revenues in Durham County are distributed on a per capita basis. If the proposed Town of Rougemont had been incorporated at that time, it would have received \$158,651 in sales tax revenues. The incorporation of Rougemont would have a marginal impact on the distribution of Powell Bill funds in the State and Durham County. No revenue shift of utility excise taxes is expected since the incorporation of Rougemont would encompass areas that are not currently part of another municipality.

On July 13, 2005, the Commission found that the proposed Town of Rougemont met the standards required by Article 20 of Chapter 160A of the General Statutes, and therefore the Commission recommended incorporation of the area as the Town of Rougemont.

In January, 2007, the Commission was asked by Representative Winkie Wilkins, Durham County, to re-evaluate the data on development submitted by the proposed Town of Rougemont because he had been advised that some undeveloped parcels of land had been classified as developed. The Division of Community Assistance re-evaluated the petition on the question of development only and determined that: (i) some parcels had been erroneously classified as developed when they did not meet the standard; and (ii) the improper classification resulted in an erroneous conclusion that the proposed Town of Rougemont satisfied the development standard of forty percent (40%), as provided by G.S. 120-168.

The proposed Town of Rougemont revised its boundaries, and resubmitted that information to the Commission for evaluation. The Division of Community Assistance reviewed the revised information and determined that the proposed Town met the development criteria in G.S. 120-168 (a copy of the report is attached as Appendix H).

The Commission finds that the proposed Town of Rougemont meets the standards required by Article 20 of Chapter 160A of the General Statutes, and therefore the Commission recommends incorporation of the area as the Town of Rougemont.

APPENDIX A

JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS 2004-2006 Membership

President Pro Tem's Appointments Speaker's Appointments

Senator Fletcher Hartsell
P. O. Box 368
Concord, NC 28026-0368

Representative Becky Carney
P. O. Box 32873
Charlotte, NC 28232

Senator Vernon Malone
2124 Lyndhurst Dr.
Raleigh, NC 27610

Representative William Wainwright
P. O. Box 941
Havelock, NC 28532

Mr. Steven Raper
P. O. Box 1180
Rocky Mount, NC 27802-1180
raper@ci.rocky-mount.nc.us
(252) 972-1325

House Vacancy

Staff

Gayle L. Moses, Staff Attorney
Bill Drafting Division

Legislative Assistant

Sylvia Watlington-Green
401 Legislative Office Building
Raleigh, NC

Gerry Cohen, Director
Bill Drafting Division

Oliver Bass
Dept of Commerce, Division of
Community Assistance
733-2853

Article 20.

Joint Legislative Commission on Municipal Incorporations.

Part 1. Organization.

§ 120-158. Creation of Commission.

(a) There is created the Joint Legislative Commission on Municipal Incorporations, referred to in this Article as "Commission".

(b) The Commission shall consist of six members, appointed as follows:

- (1) Two Senators appointed by the President Pro Tempore of the Senate;
- (2) Two House members appointed by the Speaker;
- (3) One city manager or elected city official, appointed by the President Pro Tempore of the Senate from a list of three eligible persons nominated by the North Carolina League of Municipalities; and
- (4) One county commissioner or county manager, appointed by the Speaker from a list of three eligible persons nominated by the North Carolina Association of County Commissioners. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1991, c. 739, s. 17.)

§ 120-159. Terms.

Members shall be appointed for terms ending June 30, 1987, and subsequently for two-year terms beginning July 1, 1987, and biennially thereafter. A member eligible when appointed may continue for the remainder of the term regardless of the member's continued eligibility for the category. The Commission shall elect a chairman from its membership for a one-year term. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-160. Compensation.

Members of the Commission who are members of the General Assembly shall receive subsistence and travel allowances as provided by G.S. 120-3.1. Members who are State officers or employees shall receive subsistence and travel allowances as provided by G.S. 138-6. All other members shall receive per diem, subsistence, and travel allowances as provided by G.S. 138-5. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-161. Facilities and staff.

The Commission may meet in the Legislative Building or the Legislative Office Building. Staff for the Commission shall be provided by the Legislative Services Commission. The Commission may contract with the Institute of Government, the Local Government Commission, the Department of Environment and Natural Resources, or other agencies as may be necessary in completing any required studies, within the funds appropriated to the Commission. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1989, c. 727, s. 218(82); 1997-443, s. 11A.119(a).)

§ 120-162. Reserved for future codification purposes.

Part 2. Procedure for Incorporation Review.

§ 120-163. Petition.

(a) The process of seeking the recommendation of the Commission is commenced by filing with the Commission a petition signed by fifteen percent (15%) of the registered

voters of the area proposed to be incorporated, but by not less than 25 registered voters of that area, asking for incorporation. The voter shall sign the petition and also clearly print that voter's name adjacent to the signature. The petition must also contain the voter's residence address and date of birth.

(b) The petition must be verified by the county board of elections of the county where the voter is alleged to be registered. The board of elections shall cause to be examined the signature, shall place a check mark beside the name of each signer who is qualified and registered to vote in that county in the area proposed to be incorporated, and shall attach to the petition a certificate stating the number of voters registered in that county in the area proposed to be incorporated, and the total number of registered voters who have been verified. The county board of elections shall return the petition to the person who presented it within 15 working days of receipt. That period of 15 working days shall be tolled for any period of time that is also either two weeks before or one week after a primary or election being conducted by the county board of elections.

(c) The petition must include a proposed name for the city, a map of the city, a list of proposed services to be provided by the proposed municipality, the names of three persons to serve as interim governing board, a proposed charter, a statement of the estimated population, assessed valuation, degree of development, population density, and recommendations as to the form of government and manner of election. The petition must contain a statement that the proposed municipality will have a budget ordinance with an ad valorem tax levy of at least five cents (5¢) on the one hundred dollar (\$100.00) valuation upon all taxable property within its corporate limits. The petition must contain a statement that the proposed municipality will offer four of the following services no later than the first day of the third fiscal year following the effective date of the incorporation: (i) police protection; (ii) fire protection; (iii) solid waste collection or disposal; (iv) water distribution; (v) street maintenance; (vi) street construction or right-of-way acquisition; (vii) street lighting; and (viii) zoning. In order to qualify for providing police protection, the proposed municipality must propose either to provide police service or to have services provided by contract with a county or another municipality that proposes that the other government be compensated for providing supplemental protection. The proposed municipality may not contain any noncontiguous areas.

(d) The petitioners must present to the Commission the verified petition from the county board of elections.

(e) A petition must be submitted to the Commission at least 60 days prior to convening of the next regular session of the General Assembly in order for the Commission to make a recommendation to that session. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1999-458, s. 1; 2001-353, s. 6.)

§ 120-164. Notification.

(a) Not later than five days before submitting the petition to the Commission, the petitioners shall notify:

- (1) The board or boards of county commissioners of the county or counties where the proposed municipality is located;
- (2) All cities within that county or counties; and

(3) All cities in any other county that are within five miles of the proposed municipality of the intent to present the petition to the Commission.

(b) The petitioners shall also publish, one per week for two consecutive weeks, with the second publication no later than seven days before submitting the petition to the Commission, notice in a newspaper of general circulation in the area proposed to be incorporated of the intent to present the petition to the Commission. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-165. Initial inquiry.

(a) The Commission shall, upon receipt of the petition, determine if the requirements of G.S. 120-163 and G.S. 120-164 have been met. If it determines that those requirements have not been met, it shall return the petition to the petitioners. The Commission shall also publish in the North Carolina Register notice that it has received the petition.

(b) If it determines that those requirements have been met, it shall conduct further inquiry as provided by this Part. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-166. Additional criteria; nearness to another municipality.

(a) The Commission may not make a positive recommendation if the proposed municipality is located within one mile of a municipality of 5,000 to 9,999, within three miles of a municipality of 10,000 to 24,999, within four miles of a municipality of 25,000 to 49,999, or within five miles of a municipality of 50,000 or over, according to the most recent decennial federal census, or according to the most recent annual estimate of the Office of State Budget and Management if the municipality was incorporated since the return of that census. For purposes of this section, "municipality" means a city as defined by G.S. 160A-1(2) or a county that has exercised its authority under Article 24 of Chapter 153A of the General Statutes.

(b) Subsection (a) of this section does not apply in the case of proximity to a specific municipality if:

- (1) The proposed municipality is entirely on an island that the nearby city is not on;
- (2) The proposed municipality is separated by a major river or other natural barrier from the nearby city, such that provision of municipal services by the nearby city to the proposed municipality is infeasible or the cost is prohibitive, and the Commission shall adopt policies to implement this subdivision;
- (3) The municipalities within the distances described in subsection (a) of this section by resolution express their approval of the incorporation; or
- (4) An area of at least fifty percent (50%) of the proposed municipality has petitioned for annexation to the nearby city under G.S. 160A-31 within the previous 12 months before the incorporation petition is submitted to the Commission but the annexation petition was not approved. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1989 (Reg. Sess., 1990), c. 1024, s. 25; 1998-150, s. 2; 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2005-35, s. 2.)

§ 120-167. Additional criteria; population.

The Commission may not make a positive recommendation unless the proposed municipality has a permanent population of at least 100 and a population density (either permanent or seasonal) of at least 250 persons per square mile. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1999-458, s. 2.)

§ 120-168. Additional criteria; development.

The Commission may not make a positive recommendation unless forty percent (40%) of the area is developed for residential, commercial, industrial, institutional, or governmental uses, or is dedicated as open space under the provisions of a zoning ordinance, subdivision ordinance, conditional or special use permit, or recorded restrictive covenants. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 1999-458, s. 3.)

§ 120-169. Additional criteria; area unincorporated.

The Commission may not make a positive recommendation if any of the proposed municipality is included within the boundary of another incorporated municipality, as defined by G.S. 153A-1(1), or if any of the proposed municipality is included within the boundary of a county that has exercised its authority under Article 24 of Chapter 153A of the General Statutes. (1985 (Reg. Sess., 1986), c. 1003, s. 1; 2005-35, s. 3.)

§ 120-169.1. Additional criteria; level of development, services; financial impact on other local governments.

(a) Repealed by Session Laws 1999-458, s. 4.

(b) Services. – The Commission may not make a positive recommendation unless the area to be incorporated submits a plan for providing a reasonable level of municipal services. This plan shall be based on the proposed services stated in the petition under G.S. 120-163(c).

(c) The Commission in its report shall indicate the impact on other municipalities and counties of diversion of already levied local taxes or State-shared revenues from existing local governments to support services in the proposed municipality. (1998-150, s. 3; 1999-458, s. 4.)

§ 120-170. Findings as to services.

The Commission may not make a positive recommendation unless it finds that the proposed municipality can provide at a reasonable tax rate the services requested by the petition, and finds that the proposed municipality can provide at a reasonable tax rate the types of services usually provided by similar municipalities. In making findings under this section, the Commission shall take into account municipal services already being provided. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-171. Procedures if findings made.

(a) If the Commission finds that it may not make a positive recommendation because of the provisions of G.S. 120-166 through G.S. 120-170, it shall make a negative recommendation to the General Assembly. The report to the General Assembly shall list the grounds on which a negative recommendation is made, along with specific findings. If a negative recommendation is made, the Commission shall notify the petitioners of the need for a legally sufficient description of the proposed municipality if the proposal is to be considered by the General Assembly. At the request of a majority of the members of

the interim board named in the petition, the Commission may conduct a public hearing and forward any comments or findings made as a result of that hearing along with the negative recommendation.

(b) If the Commission determines that it will not be barred from making a positive recommendation by G.S. 120-166 through G.S. 120-170, it shall require that petitioners have a legally sufficient description of the proposed municipality prepared at their expense as a condition of a positive recommendation.

(c) If the Commission determines that it is not barred from making a positive recommendation, it shall make a positive recommendation to the General Assembly for incorporation.

(d) The report of the Commission on a petition shall be in a form determined by the Commission to be useful to the General Assembly. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-172. Referendum.

Based on information received at the public hearing, the Commission may recommend that any incorporation act passed by the General Assembly shall be submitted to a referendum, except if the petition contained the signatures of fifty percent (50%) of registered voters the Commission shall not recommend a referendum. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-173. Modification of petition.

With the agreement of the majority of the persons designated by the petition as an interim governing board, the Commission may submit to the General Assembly recommendations based on deletion of areas from the petition, as long as there are no noncontiguous areas. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§ 120-174. Deadline for recommendations.

If the petition is timely received under G.S. 120-163(e), the Commission shall make its recommendation to the General Assembly no later than 60 days after convening of the next regular session after submission of the petition. (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

§§ 120-175 through 120-179. Reserved for future codification purposes.

Incorporation of Rougemont Fact Sheet

Name of Town: Rougemont

Proposed Services to be offered to Residents:

- Fire, Rescue, and EMS
- Police Protection
- Street Lighting
- Planning and Zoning

Interim Town Council:

- Paula Hawkins
- Linward Hedspeth
- James Horton
- Jean Laws
- Denise Smith

Form of Government: Elected Town Council of 5 members, who will serve 4-year staggered terms. Mayor is selected from elected Town Council for a two-year term.

Square Miles to be Incorporated: 3.931 (2,515.963 acres, all contiguous)

Assessed Valuation of Area to be Incorporated: \$77,723,573

People in Area to be Incorporated: 1,063

Density of Area to be Incorporated: 270.41 persons per square mile

Number of Properties in Area to be Incorporated: 663

Number (and Percentage) of Properties which are:

Homes:	528 (79.64 percent)
Businesses, Churches, etc.:	33 (4.98 percent)
Vacant Lots:	102 (15.38)

Distance from Nearest Municipality: 6.1 miles from Treyburn, which is a noncontiguous portion of the City of Durham and the closest incorporated area.

February 17, 2005

Oliver Bass
Planner
North Carolina Department of Commerce
Division of Community Assistance
Community Development Planning Program
Central Regional Office
1307 Glenwood Avenue, Suite 250
4313 Mail Service Center
Raleigh, NC 27699-4313

Oliver:

Below is the statement that you requested in your follow-up response relevant to our application for the incorporation of the Town of Rougemont to the Joint Legislative Commission on Municipal Incorporation:

As part of its requirement to meet basic municipal services to its residents, the Town of Rougemont will assess an ad valorem tax levy of at least five cents (5¢) per one hundred dollar (\$100.00) valuation upon all taxable property within its corporate limits.

In actuality, purchase of fire, rescue, and EMS services from the Bahama Volunteer Fire, Rescue, and EMS Company, Inc., will result in a 6 mil (6 cents/\$100 valuation) ad valorem tax levy alone. In addition, the Town of Rougemont will assess no more than 5 mils (\$0.05/\$100 valuation) for the provision of other Town services. We expect this to be 4 or 5 mils, for a total of 10 or 11 mils.

Enclosed with this letter are copies of the letters that were sent to the mayors of Chapel Hill, Morrisville, and Raleigh on Friday, February 4, 2005. In addition, the same letters were also sent to the other 20 elected officials in these three municipalities.

With the exception of the outstanding request of the Durham County Board of Elections, this response fulfills your request for further information. Please let us know if we can be of further assistance. I can be contacted at 919/715-0243 (weekdays in Raleigh) or 919/477-3269 (evenings and weekends) or you can contact John Anderson at 919/477-2067.

Sincerely,



Joseph F. Haern
Legislative Liaison
Rougemont Incorporation Planning Committee

Community Name: Town of Rougemont

Governmental Structure: Elected Town Council of 5 members. Council members will serve 4-year staggered terms. Mayor selected for a 2-year term from and by the membership of the Town Council. [NOTE: There will be an interim Town Council consisting of the 5 appointees named on this petition, who represent a broad cross-section of the community.] In the first Council election, the top 3 vote-getters will serve 4-year terms while the fourth and fifth vote-getters will serve 2-year terms.

Population and Area of Rougemont (see map): Approximately 994 residents in 3.85 square miles, with a density of approximately 258.1 residents per square mile.

Degree of Development: Of the 631 properties in the proposed area for incorporation, 467 (74 percent) are developed to date.

Valuation of Property: The total valuation of the properties is \$77,367,491, which consists of \$55,465,734 in building value and \$21,901,757 in land value.

Services to be Provided: Security protection (initially contracted with the Durham County Sheriff's Department); Fire, Rescue, and EMS (Bahama Volunteer Fire, Rescue & EMS Company, Inc.); Street Lighting (within 3 years of incorporation); Planning and Zoning (in cooperation with the Durham City/County Planning Department). Other services, such as city water, may follow as needed. Services will only be provided as requested.

Government Administration: The town will operate using a Mayor-Council plan, with a town clerk (part-time to start) and a town attorney (on retainer).

Taxes: Taxation of town residents will be capped at five mils (5 cents per \$100 of valuation), excluding fire protection services. Fire protection services will continue to be provided by the Bahama Volunteer Fire, Rescue & EMS Company, Inc. at the same rate as at the present time (6 mils, which is the lowest in Durham County). Any increase in taxes above 5 mils will need to be approved by a majority of the Rougemont town residents in a called election.

Other Provisions: Copies of the proposed charter will be available at the community meetings. Provisions in the Charter include powers, budget, conduct of elections, charter amendments, conflict of interest, nepotism, prohibition of impact fees, and other provisions.

Schedule of Next Steps:

September 1, 2004 – January 10, 2005	Town Census completed
September 14 & 16, 2004	Petition Signatures collected
January 1, 2005	Community Information Meetings
	Signed petitions submitted to Durham County Board of Elections for verification
January 10, 2005	Charter is finalized; legislation is drafted
January 16, 2005	First public notification of Rougemont Incorporation printed in the Durham Herald-Sun
January 23, 2005	Second public notification of Rougemont Incorporation printed in the Durham Herald-Sun
January 28, 2005	Notification of incorporation submitted to City of Durham and County of Durham public officials
February 3, 2005	Petition for incorporation submitted to the Joint Legislative Commission on Municipal Incorporation
April 1, 2005	Legislation for the Incorporation of Rougemont is filed with the North Carolina General Assembly

February 16, 2005

Oliver Bass
Planner
North Carolina Department of Commerce
Division of Community Assistance
Community Development Planning Program
Central Regional Office
1307 Glenwood Avenue, Suite 250
4313 Mail Service Center
Raleigh, NC 27699-4313

Oliver:

Below are the responses to the seven questions that were posed to us in response to our application for the incorporation of the Town of Rougemont to the Joint Legislative Commission on Municipal Incorporation. All of these answers are complete, with the exception of Item 2, which is now in the hands of the Durham County Board of Elections.

1. *Please provide a more legible map of the proposed town limits for the Town of Rougemont in northern Durham County (telephone request).*

Attachment 1, an 11 by 17 inch color map, is provided. On this map, County lines are marked, all streets are indicated and clearly marked, all property lines and property tax map numbers are indicated, and the proposed boundaries for the Town of Rougemont are drawn.

2. **NCGS 120-163(a) requires that the petition be signed by 15 percent of registered voters. To determine if this requirement is met I need to know the total number of registered voters (which must be verified by board of elections) that reside in the area.**

NCGS 120-163(b) requires the Board of Elections to state the number of registered voters in the area proposed for incorporation. The certification presented with the petition contains no such statement. It only states the number of voters who have been verified.

These two requests go hand-in-hand, and require the response of the Durham County Board of Elections. A request for this information (Attachment 2) as well as a listing of all valid street addresses within the proposed Town of Rougemont town limits (Attachment 3) as well as a map of the town were submitted to Michael Ashe, Director, Durham County Board of Elections. Once we receive their response, it will be forwarded to your office.

3. **NCGS 120-163(c) requires the petition to include a statement on degree of development in the area proposed for incorporation in terms of the area, or acres, of land developed rather than the number of properties that are developed. The Durham County GIS Department may be able to assist you in obtaining this information. You may contact them at 919-560-4082.**

As indicated on the Fact Sheet submitted previously, out of the 663 properties within the proposed boundaries for the Town of Rougemont, 102 of these properties are currently vacant properties or properties that contain only barns or outbuildings. Of the remaining properties, 528 contain residential dwellings and 33 properties contain businesses, churches, or the like.

The 102 "vacant" properties comprise 547.593 acres of land. Since there are a total of 2,515.963 contiguous acres of land (3.931 square miles) with the proposed boundaries, this means that a minimum of 78.235 percent of the area is developed. Note that if a "developed lot" includes lots containing just a barn or outbuilding and is not restricted to just commercial and residential properties, this degree of development is even higher.

4. **NCGS 120-163(c) also requires a statement that an ad valorem tax levy of at least \$0.05/\$100 valuation of all taxable property within the corporate limits. I was only able to**

locate statements that provides that the ad valorem tax levy will be no higher than \$0.05/\$100 without the governing boards approval

There are two statements in the charter and fact sheet that cover this item. First, we propose to purchase fire, rescue, and EMS services from the Bahama Volunteer Fire, Rescue, and EMS Company, Inc. The present charge for this service is 6 mil (\$0.06/\$100 valuation). In addition, the charter states that above and beyond the charge for fire service, we will assess no more than 5 mils (\$0.05/\$100 valuation) for the provision of other Town services. We expect this to be 4 or 5 mils, for a total of 10 or 11 mils.

5. NCGS 120-163(c) requires a statement that all proposed services will be offered no later than the first day of the third fiscal year following incorporation.

We overlooked this statement when submitting our application. The Town of Rougemont will offer, at a minimum, the following proposed services no later than the first day of the third fiscal year following incorporation:

- Fire, Rescue, and EMS Services at no less than currently provided
- Enhanced Police Protection
- Street Lighting on major roadways
- Planning and Zoning Services

In addition, it is the intent of the Town of Rougemont to provide a clean supply of water as soon as practical (probably by contracting with the City of Roxboro and Person County and the extension of their current water system, which now comes within 2 miles of the northern boundary of the Town of Rougemont) to the more than a dozen properties that either currently have no clean water supply or are served by off-site wells installed by the Environmental Protection Agency. All of these properties are along or adjacent to U.S. 501 in and around the core business area.

6. NCGS 120-164(a) requires that **all cities within the county receive notification of incorporation. Parts of Raleigh, Chapel Hill, and Morrisville are within Durham County. Therefore, a notice must also be sent to these cities.**

The 23 elected officials in Raleigh, Chapel Hill, and Morrisville (see Attachment 4) were mailed a letter of notification (see Attachment 5 for a sample letter) on Friday, February 4, 2005.

7. NCGS 120-164(b) requires a notice of incorporation be published for two consecutive weeks in a local newspaper. *I could only find a copy of the January 10, 2005 notice in the petition. Please prove proof of publication of the second notice.*

Attached please find a signed and notarized Affidavit of Publication (Attachment 6), including a full-size copy of the legal notice, from the Durham Morning Herald indicating that the legal notice was run in their newspaper "one time each week for 2 consecutive weeks beginning on the 10th day of January, 2005."

We believe that, with the exception of the outstanding request of the Durham County Board of Elections, this response fulfills in toto your e-mail request for further information dated Tuesday, February 8, 2005. Please let us know if we can be of further assistance. I can be contacted at 919/715-0243 (weekdays in Raleigh) or 919/477-3269 (evenings and weekends) or you can contact John Anderson at 919/477-2067.

Sincerely,



Joseph F. Haenn

Rougemont Incorporation Planning Committee

PROPOSED BUDGET

TOWN OF ROUGEMONT

BE IT ORDAINED by the Town Council of the Town of Rougemont, North Carolina

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its Activities for the Fiscal Year beginning July 1, 2006 and ending June 30, 2007, in accordance with the Chart of Accounts hereafter established for the Town:

Professional Dues/Publications/Education	\$	300
Advertising		200
Salaries		15,000
Social Security & Medicare (Employer's Share)		250
Unemployment Tax		100
Employee Benefits		6,000
Governing Body		5,000
Auditing Fees		1,000
Attorney Fees		2,000
Printing		300
Office Supplies		200
Election Expense		250
Travel Expense		100
Telephone		200
Postage		100
Building Utilities		200
Contribution-Fire/Rescue		500
Miscellaneous-Town/Office		500
Insurance/Bond		500
Bank Charges		100
Cable TV Franchise Expense		500
Police Protection		170,00
Street Lighting		25,000
Planning and Zoning		75,000
Contingency		2,347
		\$ 360,803

Section 2. It is estimated that the following Revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

County Sales and Use Tax	\$	205,853
Beer and Wine Tax		4,225
Utility Franchise Tax		43,480
Interest Earned		500
Property and Vehicle Taxes		99,995
Cable TV Franchise Fees		6,500
Alcoholic Beverage Control Tax		250
		\$360,803

Section 3. There is hereby levied a tax at the rate of eleven cents (\$.1100) per one hundred dollars (\$100.00) Valuation of Property listed

as of January 1, 2006, for the purpose of raising Revenue included in "Ad Valorem Taxes—Current Year" in the General Fund in Section 1 of the Ordinance. This rate is based on an estimated total evaluation of property for the purpose of taxation of .1100, which includes a six cents (\$.0600) fire tax, and an estimated collection rate of 98% (Durham County is handling all vehicle taxes).

Assessed Value	
Real Property	77,367,491
Personal Property (est.)	7,968,852
Motor Vehicles (est.)	7,423,411
Total Assessed Valuation	92,759,754
Tax Rate Per \$100 Valuation	0.1100
Tax Levy	102,036
Less Uncollected Taxes (est., 2%)	(2,041)
Estimated Collectible Levy	\$ 99,995

Section 4. Copies of this Budget Ordinance shall be furnished the Clerk of the Town Council and to the Budget Officer to be kept on file by them for their direction in the disbursement of funds.

APPROVED BY COUNCIL:

Finance Officer

ADOPTED THIS ____ DAY OF ____, 2006



DURHAM COUNTY BOARD OF ELECTIONS

Ronald A. Gregory
Chairman of the Board

Terrance T. McCabe
Secretary of the Board

706 W. Corporation Street
Durham, NC 27701
Telephone: (919) 560-0700
Facsimile: (919) 560-0688
E-mail: elections@co.durham.nc.us
Web-site: www.co.durham.nc.us/elec/

Carol W. Anderson
Board Member

Michael H. Ashe
Director of Elections

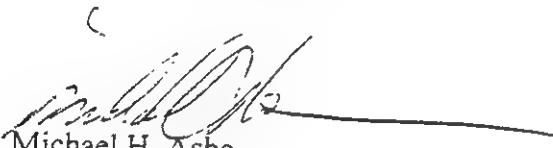
February 17, 2005

Joseph F. Haenn
404 Shetland Road
Rougemont, North Carolina, 27572

Dear Mr. Haenn.

On December 17, 2004, you submitted petitions for the Incorporation of Rougemont. Pursuant to GS 120-163 (a), petitions must be signed by 15 percent of the registered voters and GS 120-163 (b) requires the Board of Elections to state the number of registered voters in the area proposed for incorporation. On December 17, 2004, there were 646 voters in the area proposed for incorporation. The required 15 percent equals 97 signatures from qualified registered voters.

I hereby certify that the petitions received on December 17, 2004, for the Municipal Incorporation City of Rougemont was checked against the registration records of the Durham County Board of Elections and 309 names of qualified registered voters were found affixed thereto.


Michael H. Ashe
Director of Elections

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

H

D

HOUSE BILL 1147
PROPOSED COMMITTEE SUBSTITUTE H1147-CSLMx-4 [v.1]

4/19/2007 11:50:58 AM

Short Title: Incorporate Rougemont.

(Local)

Sponsors:

Referred to:

March 29, 2007

**A BILL TO BE ENTITLED
AN ACT TO INCORPORATE THE TOWN OF ROUGEMONT.
The General Assembly of North Carolina enacts:**

SECTION 1. A Charter for the Town of Rougemont is enacted to read:
"CHARTER OF THE TOWN OF ROUGEMONT.

"ARTICLE I. INCORPORATION AND CORPORATE POWERS.

7 **Section 1.1. Incorporation and Corporate Powers.** The inhabitants of the Town
8 of Rougemont are a body corporate politic under the name 'Town of Rougemont'. Under
9 that name they shall have all the powers, duties, rights, privileges, and immunities
10 conferred and imposed on cities by the general law of North Carolina.

"ARTICLE II. CORPORATE BOUNDARIES.

12 **"Section 2.1. Town Boundaries.** Until modified in accordance with the law, the
13 boundaries of the Town of Rougemont are as follows:

14 Beginning at the intersection of the Flat River and Red Mountain Road, thence in an
15 easterly direction following the Flat River north and west to the northeast corner of PIN
16 190702, thence in a southerly direction along the eastern boundary of aforementioned
17 parcel, thence in a westerly direction along the southern boundary of aforementioned
18 parcel, thence in a northerly direction along the eastern boundary of PIN 190703, thence
19 in a westerly direction along the northern boundaries of aforementioned parcel and PIN
20 190701 to the eastern boundary of PIN 196596, thence in a northerly direction along the
21 western boundary of PIN 190700, thence in a easterly direction along the northern
22 boundary of aforementioned property to the Flat River, thence in a northerly, westerly,
23 and southwesterly direction following the Flat River to the northeast corner of PIN
24 190725, thence in a southerly direction along the eastern boundary of aforementioned
25 parcel, thence in a westerly direction following Bowen Road to its intersection with
26 Moore's Mill Road, thence in a southerly direction along Moore's Mill Road to the
27 northeast corner of PIN 190584, thence in a westerly direction along the northern
28 boundary of aforementioned parcel, thence in a southern direction along the western

1 boundary of aforementioned parcel, thence in a westerly direction along the southern
2 boundary of PIN 190585, thence in a northerly direction along the western boundaries
3 of PIN 190585, PIN 190586, PIN 190717, PIN 190715, PIN 190714, PIN 190712, and
4 PIN 190713 to the Durham/Person County line, thence in a westerly direction
5 following the Durham/Person County line to the northwest corner of PIN 190783,
6 thence in a southerly direction along the western boundaries of PIN 190783, PIN
7 190784, PIN 190785, PIN 190786, PIN 190787 and PIN 190788, thence in a westerly
8 direction and along the northern boundaries of PIN 190788 and PIN 190803, thence in
9 a southerly direction along the eastern boundary of PIN 189591 to the northwest corner
10 of PIN 189592, thence in an easterly direction along the northern boundary of PIN
11 189592, thence in a southerly direction along the eastern boundary of aforementioned
12 parcel, thence in a westerly direction along the southern boundary of aforementioned
13 parcel to PIN 189593, thence in a southerly direction along the eastern boundary of PIN
14 189593, thence in a westerly direction along the southern boundary of PIN 189593 to
15 the northwest corner of PIN 190804, thence in an easterly direction along the northern
16 boundary of aforementioned property, thence in a southerly direction along the eastern
17 boundary of aforementioned property, thence in a westerly direction along the southern
18 boundary of aforementioned property, thence in a northwesterly direction along the
19 western boundary of aforementioned property and the eastern boundary of PIN 190768,
20 thence in a westerly direction along the southern boundary of PIN 189593 to Equestrian
21 Chase, thence in a southerly direction along the western boundary of Equestrian Chase
22 to the southeastern boundary of PIN 190812, thence in a southwesterly direction along
23 the eastern boundary of aforementioned property, thence in a northerly direction along
24 the western boundary of aforementioned property and PIN 189595 and continuing
25 northerly along the western boundary of PIN 189594 to PIN 189599, thence in an
26 easterly direction along the southern boundary of aforementioned parcel, thence in a
27 northerly direction along the eastern boundary of aforementioned parcel, thence in a
28 westerly direction along the northern boundary of aforementioned parcel, thence in a
29 northerly direction along the western boundaries of PIN 189590 and PIN 189589 to
30 Harris Mill Road, thence in a northerly direction along the eastern boundary of the
31 Norfolk Southern railroad right-of-way to the Durham/Person County line; thence in a
32 westerly direction along the Durham/Person County line to the western right-of-way of
33 U.S. Highway 501, thence in a southerly direction along the western right-of-way of
34 U.S. 501 to PIN 189580, thence in an easterly direction along the southern boundary of
35 PIN 189580 to the northwest corner of PIN 189542, thence, in a southerly direction
36 along the western boundary of PIN 189542, thence in an easterly direction along the
37 southern boundary of aforementioned parcel to the western boundary of right-of-way of
38 U.S. 501, thence in a southerly direction along the western boundary of U.S. 501 right-
39 of-way to the northeast corner of PIN 189662, thence in a westerly direction along the
40 northern boundary of PIN 189662, thence in an easterly direction along the southern
41 boundary of aforementioned parcel to the western boundary of the U.S. 501 right-of-
42 way, thence in a southerly direction along the western boundary of U.S. 501 right-of-
43 way to northeast corner of PIN 189657, thence in a southwesterly direction along the
44 northern boundary of aforementioned parcel, thence in a southeasterly direction along

1 the western boundary of aforementioned parcel, thence in a westerly direction along the
2 northern boundary of PIN 189656, thence in a southerly direction along the western
3 boundaries of PIN 189656 and 189655, thence in a westerly direction along the northern
4 boundaries of PIN 189654 and 189636, thence in a southerly direction along the western
5 boundary of PIN 189636, thence in a westerly direction along the northern boundary of
6 PIN 189653, thence in a northwesterly direction along the eastern boundary of PIN
7 189665, thence in a westerly direction along the northern boundary of aforementioned
8 parcel, thence in a southerly direction along the western boundary of aforementioned
9 parcel to the northern right-of-way of Bacon Road, thence in a westerly direction along
10 the northern right-of-way of Bacon Road to the intersection of the southern section
11 (between Bacon Road and Bill Poole Road) of Chambers Road, thence in a southerly
12 direction along the western boundary of the right-of-way of Chambers Road to the
13 northeast corner of PIN 189521, thence in a westerly direction along the northern
14 boundary of the aforementioned parcel, thence in a southerly direction along the
15 western boundary of aforementioned parcel, thence in an easterly direction along the
16 southern boundary of aforementioned parcel to the western boundary of the Chambers
17 Road right-of-way, thence in a southerly direction along the western boundary of the
18 Chambers Road right-of-way to the northeast corner of PIN 189519, thence in a
19 westerly direction along the northern boundary of the aforementioned parcel, thence in a
20 southerly direction along the western boundary of aforementioned parcel, thence in a
21 westerly direction along the northern boundary of PIN 189517, thence in a southerly
22 direction along the western boundary of aforementioned parcel, thence in a easterly
23 direction along southern boundary of aforementioned parcel to the western boundary of
24 the Chambers Road right-of-way, thence in a southerly direction along the western
25 boundary of the Chambers Road right-of-way to the northeast corner of PIN 189515,
26 thence in a westerly direction along the northern boundary of aforementioned parcel,
27 thence in a southerly direction along the eastern boundary of PIN 189511 to the
28 northern boundary of the Cothran Road right-of-way, thence in a westerly direction
29 along the northern boundary of the Cothran Road right-of-way to southeast corner of
30 PIN 189507, thence in a northerly direction along the eastern boundary of
31 aforementioned parcel, thence in a westerly direction along the northern boundary of
32 aforementioned parcel, thence in a southerly direction along the western boundary of
33 aforementioned parcel and PIN 189484, thence in an easterly direction along the
34 southern boundary of PIN 189484, thence in a southerly direction along the western
35 boundaries of PIN 189483, PIN 189488, and PIN 189489 to the northern boundary of
36 the Bill Poole Road right-of-way, thence in a southwesterly direction along northern
37 boundary of the Bill Poole right-of-way to its intersection with Rougemont Road,
38 thence in a southerly direction along the western boundary of the Rougemont Road
39 right-of-way to the southwest corner of PIN 189890; thence in an easterly direction
40 along the southern boundary of aforementioned parcel, thence in a northerly direction
41 along the eastern boundary of aforementioned parcel, thence in an easterly direction
42 along the southern boundary of PIN 189498, thence in a southeasterly direction along
43 the western boundary of PIN 189494, thence in an easterly direction along the southern
44 boundary of aforementioned parcel, thence in a northerly direction along the eastern

1 boundaries of aforementioned parcel and PIN 189493, thence in an easterly direction
2 along the southern boundaries of PIN 189885 and PIN 189886 to the western boundary
3 of the Harris Road right-of-way, thence in a northerly direction along the western
4 boundary of the right-of-way of Harris Road to the northern boundary of the Bill Poole
5 Road right-of-way, thence in an northeasterly direction along the northern right-of-way
6 of Bill Poole Road to the southeastern corner of PIN 189884, thence in a northwesterly
7 direction along the eastern boundary of aforementioned parcel, thence in a
8 southwesterly direction along the northern boundaries of aforementioned parcel to PIN
9 189879, thence in a northwesterly direction along the eastern boundary of
10 aforementioned parcel, thence in a northerly direction along the western boundary of
11 parcel 189848, thence in an easterly direction along the northern boundary of
12 aforementioned parcel, thence in a southerly direction along the eastern boundary of
13 aforementioned parcel, thence in a southwesterly direction along the northwest
14 boundary of PIN 197183, thence in a southeasterly direction along the southwest
15 boundary of aforementioned parcel and crossing Bill Poole Road, thence in a westerly
16 direction along the southern right-of-way of Bill Poole Road to the western boundary of
17 PIN 189847, thence in a southerly direction along the western boundary of
18 aforementioned parcel, thence in an easterly direction along the southern boundary of
19 aforementioned parcel and continuing in an easterly direction along the southern
20 boundaries of parcels through PIN 189831 to the northwest corner of PIN 189830,
21 thence in a southerly direction along the western boundary of aforementioned parcel,
22 thence in an easterly direction along the southern boundary of aforementioned parcel to
23 the western right-of-way of U.S. 501, thence in a southerly direction along the western
24 boundary of the U.S. 501 right-of-way to PIN 189824, thence in a westerly direction
25 along the northern boundary of aforementioned parcel, thence in a southerly direction
26 along the eastern boundaries of PIN 189834, PIN 189835, and PIN 189867, thence in a
27 southeasterly direction along the northern boundary of PIN 190517, thence in a
28 southeasterly direction along the southwest boundary of PIN 190513, thence in a
29 northeasterly direction along the southeast boundary of aforementioned parcel to the
30 western right-of-way of U.S. 501; thence crossing U.S. 501 and continuing along the
31 southeastern boundary of PIN 190530, thence in a northwesterly direction along the
32 northeast boundary of aforementioned parcel, thence in a southwesterly direction along
33 the northwestern boundary of aforementioned parcel to the northeastern boundary of the
34 U.S. 501 right-of-way, thence in a northwesterly and then northerly direction along the
35 eastern right-of-way of U.S. 501 to the southwestern corner of PIN 189820, thence in a
36 northeasterly direction along the southeastern boundary of aforementioned parcel to the
37 western boundary of the Norfolk Southern railroad right-of-way, thence in a southerly
38 direction along the western boundary of the Norfolk Southern railroad right-of-way to
39 the southwest corner of PIN 189793, thence in an easterly direction along the southern
40 boundary of aforementioned parcel. thence in a southeasterly direction along the
41 northeastern boundary of PIN 190625, thence in a southerly direction along the
42 northeastern boundary of PIN 190512, thence in a southeasterly and then easterly
43 direction along the northern boundary of aforementioned parcel to the southeast corner
44 of PIN 190645, thence in a northerly direction along the eastern boundary of

1 aforementioned parcel to the southern right-of-way of Lake Winds Trail, thence in an
2 easterly direction along the southern right-of-way of Lake Winds Trail, thence in a
3 southerly direction along the western boundary of PIN 190644, thence in an easterly
4 direction along the southern boundary of aforementioned parcel and continuing in an
5 easterly direction to the western right-of-way of Moores Mill Road, thence in a
6 northerly direction crossing Lake Winds Trail to the northeast corner of PIN 190663,
7 thence in a westerly direction along the northern boundary of aforementioned parcel and
8 continuing in a westerly direction to the northwest corner of PIN 190677, thence in a
9 southerly direction along the western boundary of aforementioned parcel to the northern
10 right-of-way of Lake Winds Trail, thence in a westerly direction along the northern
11 right-of-way of Lake Winds Trail to the southeastern corner of PIN 190665, thence in a
12 northerly direction along the eastern boundary of aforementioned parcel, thence in a
13 westerly direction along the northern boundary of aforementioned parcel and continuing
14 to the northeastern boundary of PIN 190671, thence in a northerly direction and
15 continuing to the northeast corner of PIN 190627 (located north of PIN 190628), then in
16 a westerly direction along the northern boundary of aforementioned parcel and
17 continuing in an westerly direction to PIN 190697, thence in a northeasterly direction
18 along the eastern boundary of aforementioned parcel, thence in a northwesterly
19 direction along the northeastern boundary of aforementioned parcel, thence in a
20 southwesterly direction along the northwestern boundary of aforementioned parcel,
21 thence in a northwesterly direction along the eastern right-of-way of Lake Winds Trail,
22 thence in a southwesterly direction crossing Lake Winds Trail and continuing to the
23 northwest corner of PIN 190688, thence in a southeasterly direction along the western
24 boundary of aforementioned parcel, thence in a westerly direction along the northern
25 boundary of PIN 190627 (located west of PIN 190688) to the southeast corner of PIN
26 189793, thence in a northerly direction along the eastern boundary of aforementioned
27 parcel and continuing to the southwest corner of PIN 190638, thence in a easterly
28 direction along the southern boundary of aforementioned parcel and continuing in an
29 easterly direction to the northwest corner of PIN 190629, thence in a southerly
30 direction along the western boundary of aforementioned parcel, then in an easterly
31 direction along the southern boundary of aforementioned parcel to the western right-of-
32 way of Moores Mill Road, thence in a northerly direction along the western right-of-
33 way of Moores Mill Road to the northwest corner of PIN 190706, thence in an easterly
34 direction along the northern boundary of aforementioned parcel, thence in a southerly
35 direction along the eastern boundary of aforementioned parcel and continuing across
36 Red Mountain Road along the western boundary of PIN 190587, thence in an easterly
37 direction along the southern boundary of aforementioned parcel, thence in a northerly
38 direction along the eastern boundary of aforementioned parcel, thence in a easterly
39 direction along the southern boundary of PIN 190704 and continuing in an easterly
40 direction to the Flat River, thence in a northerly and northeasterly direction along the
41 Flat River to the bridge over the Flat River on Red Mountain Road. PIN 190576 and
42 PIN 189728 are located within the contiguous outer boundaries of the Town of
43 Rougemont, but are excluded from the corporate boundaries of the Town.

44 "ARTICLE III. GOVERNING BODY.

"Section 3.1. Structure of Governing Body; Number of Members. The governing body of the Town of Rougemont is the Mayor and Town Council, which shall consist of four members.

"Section 3.2. Temporary Officers. Until the organizational meeting after the initial election in 2007 provided for by Section 4.1 of this Charter, Paula Hawkins, Linwood Hedspeth, James Horton, Jean Laws, and Denise Smith are appointed members of the Town Council, and they shall possess and exercise the powers granted to the governing body until their successors are elected or appointed and qualified pursuant to this Charter. The temporary officers shall elect a person from among the members of the temporary governing body to serve as interim mayor. If any person named in this section is unable to serve, the remaining temporary officers shall, by majority vote, appoint a person to serve until the initial municipal election is held in 2007.

"Section 3.3. Manner of Electing Town Council. The qualified voters of the entire Town shall elect the members of the Town Council and, except as provided in this section, they shall serve four-year terms. In 2007, the three candidates receiving the highest numbers of votes shall be elected to four-year terms and the two candidates receiving the next highest numbers of votes shall be elected to two-year terms. In 2009, and quadrennially thereafter, two members shall be elected to four-year terms. In 2011, and quadrennially thereafter, three members shall be elected to four-year terms.

"Section 3.4. Manner of Electing Mayor; Term of Office; Duties. At the organizational meeting following each municipal election, the Town Council shall elect one of its members as Mayor, and the Mayor shall serve at the pleasure of the Town Council. The Mayor shall be the official head of Town government, shall preside at all meetings of the Town Council, shall have the right to vote only when there is an equal division on any question or matter before the Town Council, and shall exercise the powers and duties conferred by law or as directed by the Town Council.

"Section 3.5. Residency Requirement. Members of the governing body of the Town of Rougemont, whether elected or appointed, must be qualified voters who reside within the corporate limits of the Town in order to qualify to take, hold, and continue in office.

"ARTICLE IV. ELECTIONS.

"Section 4.1. Conduct of Town Elections. Elections shall be conducted on a nonpartisan basis and results determined by a plurality as provided in G.S. 163-292.

"Section 4.2. Special Elections and Referenda. Special elections and referenda may be held only as provided by the general law of North Carolina, local acts of the General Assembly, or as provided for in this Charter.

"ARTICLE V. ADMINISTRATION.

"Section 5.1. Town to Operate Under Mayor-Council Plan. The Town shall operate under the Mayor-Council form of government as provided in Part 3 of Article 7 of Chapter 160A of the General Statutes.

"Section 5.2. Town Attorney. The Town Council shall appoint a Town Attorney licensed to practice law in North Carolina. It shall be the duty of the Town Attorney to represent the Town, advise Town officials, and perform other duties as required by law or as directed by the Town Council.

1 "Section 5.3. **Town Clerk.** The Town Council shall appoint a Town Clerk who shall
2 perform duties as required by law or as directed by the Town Council. The Town Clerk
3 shall serve at the pleasure of the Town Council.

4 "Section 5.4. **Other Officers and Employees.** The Town Council may appoint other
5 officers and positions as deemed appropriate, subject to the requirements of general law.

6 "Section 5.5. **Consolidation of Functions.** Where positions are not incompatible,
7 the Town Council may combine in one person the powers and duties of two or more
8 officers created or authorized by this Charter.

9 "Section 5.6. **Compensation for Mayor and Town Council Members.** The Mayor
10 and members of the Town Council shall be reimbursed for ordinary and necessary
11 expenses and may receive salary and honoraria only upon a majority vote of the
12 qualified voters of the Town who vote on the question in a special referendum.

13 **"ARTICLE VI. TAXES AND BUDGET ORDINANCE.**

14 "Section 6.1. **Powers of the Town Council.** The Town Council may levy those
15 taxes and fees authorized by general law. An affirmative vote equal to a majority of all
16 the members of the Town Council shall be required to change the ad valorem tax from
17 that rate established during the prior fiscal year.

18 "Section 6.2. **Commencement of Tax Collection.** From and after July 1, 2007, the
19 citizens and property in the Town of Rougemont shall be subject to municipal taxes
20 levied for the year beginning July 1, 2007, and for that purpose the Town shall obtain
21 from Durham County a record of property in the area herein incorporated which was
22 listed for property taxes as of January 1, 2007.

23 "Section 6.3. **Budget.** The Town may adopt a budget ordinance for fiscal year
24 2007-2008 without following the timetable in the Local Government Budget and Fiscal
25 Control Act, but shall follow the sequence of actions in the spirit of the act insofar as is
26 practical. For fiscal year 2007-2008, ad valorem taxes may be paid at par or face
27 amount within 90 days of the adoption of the budget ordinance and thereafter in
28 accordance with the schedule in G.S. 105-360. If the effective date of the incorporation
29 is prior to July 1, 2007, the Town may adopt a budget ordinance for fiscal year
30 2006-2007 without following the timetable in the Local Government Budget and Fiscal
31 Control Act, but shall follow the sequence of actions in the spirit of the act insofar as
32 practical. No ad valorem taxes may be levied for the 2006-2007 fiscal year.

33 "Section 6.4. **Ad Valorem Taxes.** The Town Council shall not increase the ad
34 valorem tax rate more than \$0.05/\$100.00 valuation, except for fire protection services,
35 above the ad valorem tax rate established on the date of incorporation of the Town of
36 Rougemont without the vote or consent of a majority of the qualified voters of the Town
37 of Rougemont. The election on the question of increasing the ad valorem tax rate shall
38 be conducted in accordance with G.S. 160A-209.

39 **"ARTICLE VII. ORDINANCES.**

40 "Section 7.1. **Ordinances.** Except as otherwise provided in this Charter, the Town of
41 Rougemont is authorized to adopt such ordinances as the Town Council deems
42 necessary for the governance of the Town.

43 **"ARTICLE VIII. MISCELLANEOUS.**

1 "Section 8.1. **Enlargement of Town Council.** The qualified voters of the Town of
2 Rougemont may seek to enlarge the number of members of the Town Council by
3 submitting a petition to that effect signed by twenty percent (20%) of the qualified
4 voters. Upon the passage of a resolution as provided in G.S. 160A-102 or upon receipt
5 of a valid petition, the Town Council shall immediately take steps as provided in Part 4
6 of Article 5 of Chapter 160A of the General Statutes to determine by referendum
7 whether the number of members of the Town Council should be increased. If a majority
8 of the votes cast in the referendum are in the affirmative, a special election shall be held
9 at the earliest possible date to elect the additional members required to enlarge the Town
10 Council to the number set forth in the referendum.

11 "Section 8.2. **Amendments to Charter.** The Town Council may propose and enact
12 amendments to this Charter in accordance with Part 4 of Article 5 of Chapter 160A of
13 the General Statutes. No amendment to this Charter shall become effective until public
14 notice is given and a public hearing is held to receive comments on the proposed
15 Charter amendment. Notwithstanding G.S. 160A-103, upon receipt of a referendum
16 petition bearing the signatures and residence addresses of twenty percent (20%) of the
17 qualified voters of the Town, the Town Council shall submit ordinances adopted under
18 G.S. 160A-102 to a vote of the people.

19 "Section 8.3. **Provision of Services and Administration of Functions.** The Town
20 Council may enter into agreements with other governmental bodies and private
21 enterprises for the provision of services and administration of corporate functions in
22 order to provide the services and administer the functions in the most efficient and
23 cost-effective manner.

24 "Section 8.4. **Conflict of Interest.** No person, or a member of the person's
25 immediate family, who is employed by or is an official of the Town of Rougemont shall
26 do business with the Town unless the Town Council specifically approves the activity.
27 All appointed officials of the Town must inform the Town Council of any conflicts of
28 interest and the failure to so inform shall constitute grounds for immediate dismissal for
29 cause. No official of the Town may accept any gratuity from any business, person, or
30 other official if the gratuity is related to his or her official duties.

31 "Section 8.5. **Nepotism.** No person who is an immediate family member of an
32 elected official of the Town of Rougemont shall be appointed to or employed in a
33 position within Town government unless the appointment or employment is approved
34 by the entire Town Council.

35 "Section 8.6. **Annexation.** The Town of Rougemont shall not extend its boundaries
36 into an adjoining county.

37 "ARTICLE IX. SPECIAL PROVISIONS.

38 "Section 9.1. **Fire Protection.** The Town of Rougemont shall contract with the
39 Bahama Volunteer Fire, Rescue, and EMS Company, Inc., to provide fire protection for
40 the Town. The contract terms and amount paid by the Town of Rougemont to the
41 Bahama Volunteer Fire, Rescue, and EMS Company, Inc., shall be mutually agreed
42 upon and annually renewed by the Board of Directors of the Bahama Volunteer Fire,
43 Rescue, and EMS Company, Inc., and the Town Council.

1 **"Section 9.2. Safety Protection.** The Town of Rougemont shall contract with the
2 Durham County Sheriff's Department to provide safety protection for the Town. The
3 contract terms and amount paid by the Town of Rougemont to the Durham County
4 Sheriff's Department shall be mutually agreed upon and annually renewed by the
5 Durham County Commissioners and the Town Council.

6 **"Section 9.3. Impact Fees.** The Town of Rougemont shall not impose impact fees
7 unless approved by the North Carolina General Assembly and a vote of a majority of
8 the qualified voters of the Town of Rougemont."

9 **SECTION 2.** The Durham County Board of Elections shall conduct an
10 election on a date set by the Board, to be not less than 60 nor later than 120 days after
11 this act becomes law, for the purpose of submission to the qualified voters for the area
12 described in Section 2.1 of the Charter of the Town of Rougemont the question of
13 whether or not the area shall be incorporated as the Town of Rougemont. Registration
14 for the election shall be conducted in accordance with G.S. 163-288.2.

15 **SECTION 3.** In the election, the question on the ballot shall be:

16 "FOR AGAINST

17 Incorporation of the Town of Rougemont."

18 **SECTION 4.** In the election, if a majority of the votes are cast "For the
19 Incorporation of the Town of Rougemont", Section 1 of this act shall become effective
20 on the date that the Durham County Board of Elections certifies the results of the
21 election. Otherwise, Section 1 of this act shall have no force and effect.

22 **SECTION 5.** This act is effective when it becomes law.

AFFIDAVIT OF PUBLICATION

NOTICE OF INTENT TO INCORPORATE ROUGEMONT

Within the next fifteen days, a request will be submitted to the Joint Legislative Study Commission on Municipal Incorporation of the NC General Assembly for the incorporation of approx. 3.85 square miles of northern Durham County encompassing approx. 1060 residents into the town of Rougemont. Legal petitions with 309 signatures for incorporation have been verified by the Durham County Board of Elections. 53.5% the 578 registered voters in the area to be incorporated. H-S: 1-10, 17, 2005

State of North Carolina
County of Durham

Teresa Ellis being duly sworn says that she is the Principal Clerk of The Durham Herald Co., Inc., publishers of The Herald-Sun, a newspaper published in and of general circulation in said County, and that a notice of which the annexed is a true copy, was published in said newspaper one time each week for 2 successive weeks beginning on the 10th day of January, 2005.

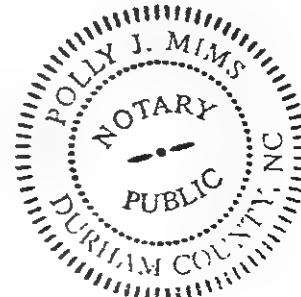
Teresa Ellis
Principal Clerk

Sworn to and subscribed before me this 17th day of January, 2005.

Polly J. Mims
Notary Public

My commission expires December 16, 2006.

Durham County, North Carolina



County Commissioners

Ellen W. Reckhow, chair
Becky M. Heron, vice-chair
Lewis A. Cheek
Phillip R. Cousin, Jr.
Michael D. Page

City Council Members

Bill Bell, Chair
Cora Cole-McFadden, Mayor Pro Tem
John Best, Jr.
Eugene A. Brown
Diane Catotti
Howard Clement, III
Thomas Stith, III

County Manager Mike Ruffin
Interim City Manager Patrick Baker

Durham City and County Officials:

On Monday, January 24, 2005, the Joint Legislative Commission on Municipal Incorporations of the North Carolina General Assembly will be presented with a package of materials requesting the incorporation of approximately 3.85 square miles of northern Durham County into the town of Rougemont. Petitions signed by 309 residents within the proposed town limits have been validated by the Durham County Board of Elections. These signatures represent more than 53 percent of the registered voters in the area to be incorporated and over 70 percent of the citizens who had a chance to sign this petition. This is well in excess of the 15 percent of the registered voters needed to proceed and guarantees approval by voters in a subsequent election upon approval by the General Assembly.

In total, there are approximately 1,065 Durham County residents in the area to be incorporated. The approximate area to be incorporated is provided by the map in the enclosed Fall 2004 issue of the *Rougemont Reporter*. The attached blank copies of the petition and an incorporation FAQ sheet provide further information about the incorporation.

As required by the State procedures for municipal incorporation, a legal notice announcing the intention to incorporate this area was published in the Durham Herald-Sun on Monday, January 10, 2005 and will be published again on Monday, January 17, 2005.

For further information, please contact John Anderson at 477-2067 or Joseph Haenn at 477-3269.

Tuesday, February 22, 2005

Honorable Gordon Cromwell
Mayor of Morrisville
110 Holly Creek Road
Morrisville, NC 27560

Mayor of Morrisville Honorable Gordon Cromwell:

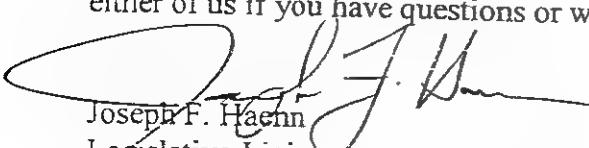
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In total, there are approximately 1,065 Durham County residents in the area to be incorporated. The approximate area to be incorporated is provided by the attached map. Also attached are blank copies of the incorporation petition and a FAQ sheet that provides further information about the incorporation. It should be noted that the proposed charter for the Town of Rougemont precludes subsequent annexation into any county outside of Durham County.

As required by the State procedures for municipal incorporation, a legal notice announcing the intention to incorporate this area was published in the Durham Herald-Sun on the consecutive Mondays of January 10 and 17, 2005. All Durham County Commissioners, Durham City Council Members, the Mayor, the Durham County Manager, and the Durham City Manager were duly notified through packets of information delivered to their offices on Friday, January 14, 2005.

As you can see, this effort has the overwhelming support of the residents of Rougemont. We hope that you recognize the importance of citizens for self-determination and sincerely hope that you will support us in this effort.

For further information, please contact John Anderson at 477-2067 or Joseph Haenn at 477-3269 (home; Rougemont) or 715-0243 (office; Raleigh). Please feel free to contact either of us if you have questions or would like further information.



Joseph F. Haenn
Legislative Liaison,
Rougemont Incorporation Committee

Tuesday, February 22, 2005

Charles Meeker
Mayor of Raleigh
P.O. Box 590
Raleigh, NC 27602

Mayor of Raleigh Charles Meeker:

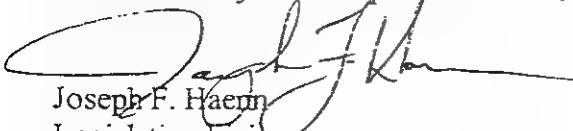
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Tuesday, February 22, 2005

Kevin C. Foy
Mayor of Chapel Hill
19 Oakwood Drive
Chapel Hill, NC 27517

Mayor of Chapel Hill Kevin C. Foy:

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Joseph F. Haenn
Legislative Liaison,
Rougemont Incorporation Committee

Wednesday, November 19, 2005

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Chapel Hill, NC 27517

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Morrisville, NC 27560

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Wednesday, November 19, 2005

Charles Meeker
Mayor of Raleigh
P.O. Box 590
Raleigh, NC 27602

Mayor of Raleigh Charles Meeker:

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**Assessment of Petition
by
Town of Rougemont
for
Incorporation**

Relative to NC G.S. 120-163 and NC G.S. 120-164

**North Carolina Department of Commerce
Division of Community Assistance**

Division of Community Assistance staff has reviewed the petition for incorporation from the proposed Town of Rougemont as it relates to NC G.S. 120-163 and NC G.S. 120-164. These sections of the General Statutes refer to the petition and notification requirements.

G.S. 120-163 (a) requires that a petition be signed by 15% of the registered voters (but by not less than 25 voters) of the area asking for incorporation. The proposed Town of Rougemont has submitted a petition with the required signatures.

G.S. 120-163 (b) requires that “[t]he petition must be verified by the county board of elections of the county where the voter is alleged to be registered. The board of elections shall cause to be examined the signature, shall place a check mark beside the name of each signer who is qualified and registered to vote in that county in the area proposed to be incorporated, and shall attach to the petition a certificate stating the number of voters registered in that county in the area proposed to be incorporated, and the total number of registered voters who have been verified. The county board of elections shall return the petition to the person who presented it within 15 working days of receipt.” G.S. 120-163 (d) requires that the petitioners must present to the Commission the verified petition from the county board of elections. The Durham County Board of Elections has verified the Town of Rougemont petition.

G.S. 120-163 (c) requires that the petition must include a number of items. These are:

- A proposed name for the city. The petition of the Town of Rougemont does include a proposed name.
- A map of the city. The petition of the Town of Rougemont does include a map.
- A list of proposed services to be provided by the proposed municipality. The petition of the Town of Rougemont does include a list of proposed services.
- The names of three persons to serve as interim governing board. The petition of the Town of Rougemont includes the names of three persons to serve as an interim council.
- A proposed charter. The petition of the Town of Rougemont does include a proposed charter.
- A statement of the estimated population and population density. The petition of the Town of Rougemont does include a statement of the estimated population and population density.
- Assessed valuation. The petition of the Town of Rougemont does include an estimate of assessed valuation.
- Degree of development. The petition of the Town of Rougemont does include degree of development.
- Recommendations as to form of government and manner of election. The petition of the Town of Rougemont does include recommendations as to form of government and manner of election.

According to G.S. 120-163, the proposed municipality may not contain any non-contiguous areas. According to an examination of the map presented with the petition, the proposed Town of Rougemont does not contain any non-contiguous areas.

According to G.S. 120-164, not later than five days before submitting the petition to the Commission, the petitioners shall notify:

- (1) The board or boards of county commissioners of the county or counties where the proposed municipality is located.
- (2) All cities within that county or counties.
- (3) All cities in any other county that are within five miles of the proposed municipality of the intent to present the petition to the Commission.

The petition did include copies of the notification letters to Durham County, all municipalities within Durham County, and all municipalities within five (5) miles of the proposed village. Therefore, all required notification letters were sent.

According to G.S. 120-164, '[t]he petitioners shall also publish, one per week for two consecutive weeks, with the second publication no later than seven days before submitting the petition to the Commission, notice in a newspaper of general circulation in the area proposed to be incorporated of the intent to present the petition to the Commission."

The notice was published in The Sun-Herald newspaper for two successive weeks beginning January 10, 2005. An affidavit of publication were included in the petition.

**Assessment of Petition
by
Town of Rougemont
for
Incorporation**

Relative to NC G.S. 120-166.

**North Carolina Department of Commerce
Division of Community Assistance**

Division of Community Assistance staff has reviewed the petition for incorporation from Rougemont as it relates to NC G.S. 120-166. That section of the General Statute refers to the nearness of the proposed new 'Town of Rougemont' to other municipalities. Part (a) of that section sets criteria based on the nearness of the proposed new Town to existing municipalities and their respective populations. Note that the General Statute requires that the population values be in accordance with the most recent decennial federal census, or according to the most recent annual estimate of the Office of State Budget and Management if the municipality was incorporated since the return of that census. These relationships are presented in the following table.

Critical Distance	Population of Neighboring Municipality
1 mile	5,000 to 9,999
3 miles	10,000 to 24,999
4 miles	25,000 to 49,999
5 miles	50,000 and over

No municipalities are within the distance thresholds set in the statute. No nearby municipality falls within the population and distance thresholds set in G.S. 120-166(a).

The Commission is not precluded from making a positive recommendation on the petition for incorporation relative to the proposed Town of Rougemont, in accordance with NC G.S. 120-166.

Information sources: The foregoing assessment was based on information contained in the petition, and GIS data provided by the Durham County GIS Department. A buffer analysis (an ArcGIS® utility) was performed on the proposed boundary that was presented on the map attached to the petition. The 2000 Census population values were retrieved from the NC Office of State Budget and Management, State Demographics web site (<http://demog.state.nc.us/>).

Note: 1

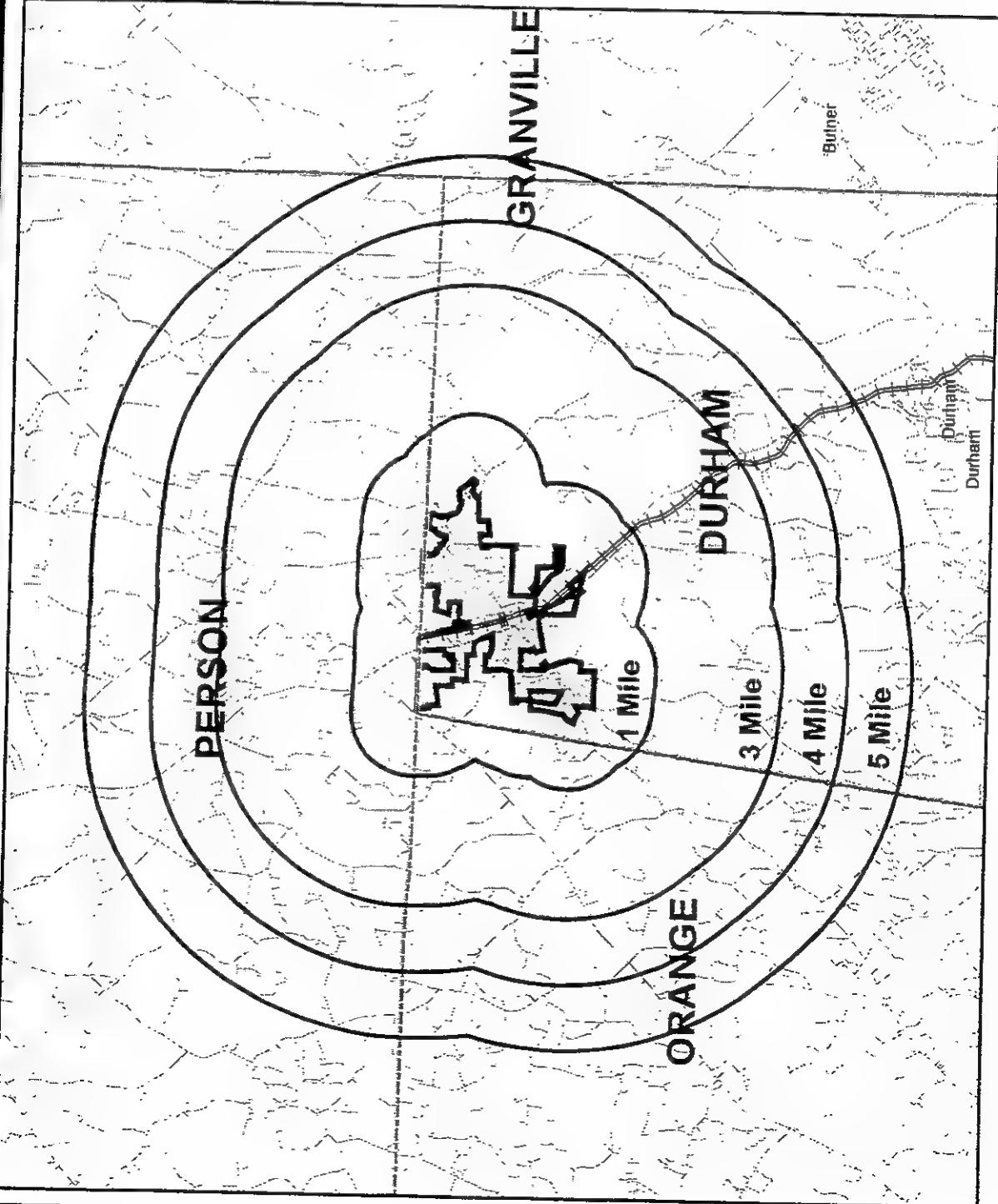
§ 120-166. Additional criteria; nearness to another municipality.

(a) The Commission may not make a positive recommendation if the proposed municipality is located within one mile of a municipality of 5,000 to 9,999, within three miles of a municipality of 10,000 to 24,999, within four miles of a municipality of 25,000 to 49,999, or within five miles of a municipality of 50,000 or over, according to the most recent decennial federal census, or according to the most recent annual estimate of the Office of State Budget and Management if the municipality was incorporated since the return of that census.

(b) Subsection (a) of this section does not apply in the case of proximity to a specific municipality if:

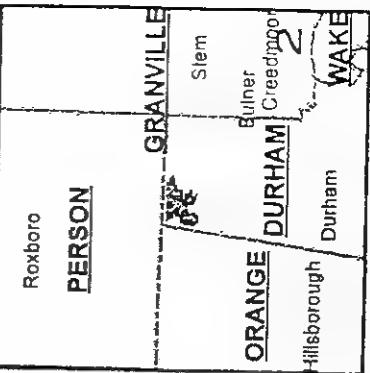
- (1) The proposed municipality is entirely on an island that the nearby city is not on;
- (2) The proposed municipality is separated by a major river or other natural barrier from the nearby city, such that provision of municipal services by the nearby city to the proposed municipality is infeasible or the cost is prohibitive, and the Commission shall adopt policies to implement this subdivision;
- (3) The nearby municipality by resolution expresses its approval of the incorporation; or
- (4) An area of at least fifty percent (50%) of the proposed municipality has petitioned for annexation to the nearby city under G.S. 160A-31 within the previous 12 months before the incorporation petition is submitted to the Commission but the annexation petition was not approved.(1985 (Reg. Sess., 1986), c. 1003, s. 1; 1989 (Reg. Sess., 1990), c. 1024, s. 25.)

Rougemont Incorporation Study



Notes:
1, 3, 4 and 5 Mile Buffers Placed
around proposed incorporation

1 0 5 0 1 Miles



DISI Mapping RIO - NC Dept of Commerce/DCA 02/25/2005



**Assessment of Petition
by
Town of Rougemont
(Durham County)
for
Incorporation**

**Relative to NC G.S. 120-167
through NC G.S. 120-170**

**North Carolina Department of Commerce
Division of Community Assistance**

Division of Community Assistance (DCA) staff has reviewed the petition for incorporating the Town of Rougemont relative to NC G.S. 120-167 through G.S. 120-170. The following discussion addresses each of these sections of the General Statutes.

NC G.S. 120-167 Additional criteria; population.

NC G.S. 120-167 refers to population and requires that the permanent population must be at least 100 and a population density (permanent and seasonal) of at least 250 persons per square mile. The Durham County Board of Elections determined there are 646 registered voters living in the proposed Town of Rougemont, exceeding the required minimum permanent population. The Division of Community Assistance performed a land use survey of the subject area, identifying 332 dwelling units. The 2000 US Census Bureau data estimates an average of 2.40 persons per household for Durham County and a housing occupancy rate of 93.3 percent. This suggests that 743 persons are likely to reside in a total land area of 2.911 square miles. DCA has calculated Rougemont total population density at 255.239 persons per square mile (permanent and seasonal). It appears that NC G.S. 120-167 is satisfied.

NC G.S. 120-168 Additional criteria; development.

NC G.S. 120-168 refers to development and requires that at least 40 percent of the area must be "developed for residential, commercial, industrial, institutional, or governmental uses, or is dedicated as open space under the provisions of a zoning ordinance, subdivision ordinance, conditional or special use permit, or recorded restrictive covenants." (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

DCA used a land use survey combined with an analysis of available tax information and aerial photographs to determine the degree of development. The survey considered parcels as "developed" if they had land use characteristics that were residential, commercial, institutional or governmental, industrial, or dedicated open spaces. Vacant parcels, forested parcels, or agricultural parcels were considered "undeveloped."

DCA's analysis indicated that 40.18 percent of the subject area, as presently proposed, is developed (see Table 1 and Map A). It appears that NC G.S. 120-168 is satisfied.

Table 1:
Development Relative to NC G.S. 120-168

Land Use	Acres
Commercial	33.61
Industrial	0.00
Institutional/Governmental	64.20
Residential	582.51
Dedicated open space	7.22
Undeveloped	1023.52
Total acreage	1711.06
Total Developed Acreage	687.54
% Developed	40.18%

NC G.S. 120-169 Additional criteria; area unincorporated.

NC G.S. 120-169 requires that none of the area proposed for incorporation may be included within the boundary of another incorporated municipality. DCA compared the proposed boundary for the Town of Rougemont with the most recently updated Durham County (GIS) data as well as the North Carolina Department of Transportation (GIS) data and found no evidence that any of the subject area is part of an incorporated municipality. It appears that NC G.S. 120-169 is satisfied.

NC G.S. 120-169.1 Additional criteria; services.

NC G.S. 120-169.1(b) requires that the area to be incorporated submit a plan for providing a reasonable level of municipal services. To meet the requirements of this section, the persons submitting the plan for incorporation must propose to provide at least four of the following services:

- 1) Police protection.
- 2) Fire protection.
- 3) Solid waste collection or disposal.
- 4) Water distribution.
- 5) Street maintenance.
- 6) Street construction or right-of-way acquisition.
- 7) Street lighting.
- 8) Zoning.

The proposed Town of Rougemont has submitted a sufficient plan for providing four out of eight of the above services. Rougemont will provide fire protection, police protection, street lighting, and zoning. Fire protection will be provided through an agreement with the Bahama Fire, Rescue, EMS Co, Inc. Police protection will be provided through an agreement with the Durham County Sheriff's Department. Street lighting will be provided by the Town of Rougemont. Zoning will be adopted and administered by the Town of Rougemont. It appears that NC G.S. 120-169.1(b) is

satisfied.

NC G.S. 120-170 Findings as to services.

NC G.S. 120-170 requires that the proposed municipality can provide, at a reasonable tax rate the services requested by the petition and that the proposed municipality can provide at a reasonable tax rate the types of services usually provided by similar municipalities. Rougemont has proposed an \$.11/\$100 property tax rate with an estimated property tax revenue of \$89,276. As a result of the types of services the Town of Rougemont plans to provide and the manner in which those services would be provided, the proposed \$.11/\$100 property tax rate appears to be reasonable.

There is insufficient data available on newly incorporated municipalities to accurately compare their tax rate with the tax rate proposed by Rougemont. However, to give some indication of a comparison of Rougemont tax rate and that assessed by other similar municipalities, DCA compared Rougemont with the North Carolina Department of Treasurer 2004 Municipal Financial Profiles for municipal populations between 500 and 999 persons. Rougemont has proposed an \$.11/\$100 property tax rate with an estimated property tax revenue of \$89,276. In comparison, the North Carolina Department of Treasurer indicates in its report an average property tax rate of \$0.2734/\$100 assessment and average property tax revenue of \$193,401. For the proposed Town of Rougemont to generate similar revenues it would need to levy a property tax rate of \$0.2335/\$100 assessment (assuming a total assessment of \$82,816,314). As stated above, Rougemont can provide the four proposed services at a reasonable tax rate, but would not likely be able to provide additional services without a property tax rate increase. It appears that NC G.S. 120-170 is satisfied.

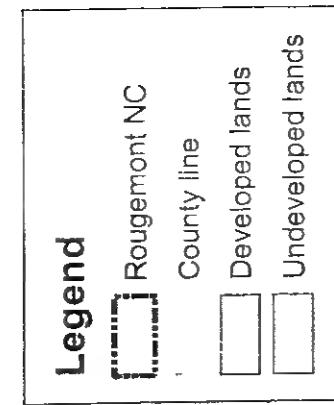
Conclusion

It appears that the proposed Town of Rougemont satisfies the North Carolina General Statutes 120-167 through 120-170. The Commission is not precluded from making a positive recommendation on the incorporation of the proposed Town of Rougemont.

Information sources:

Petition for Incorporation of the Town of Rougemont
2000 US Census (referenced 05/05), <http://www.census.gov/>
Durham County GIS Department, Parcel Data and Assessment Data
North Carolina Office of State Treasurer (referenced 07/05)
http://www.treasurer.state.nc.us/lgc/units/D_NE.htm

Map A
Town of Rougemont
Phase 2 Incorporation
Study



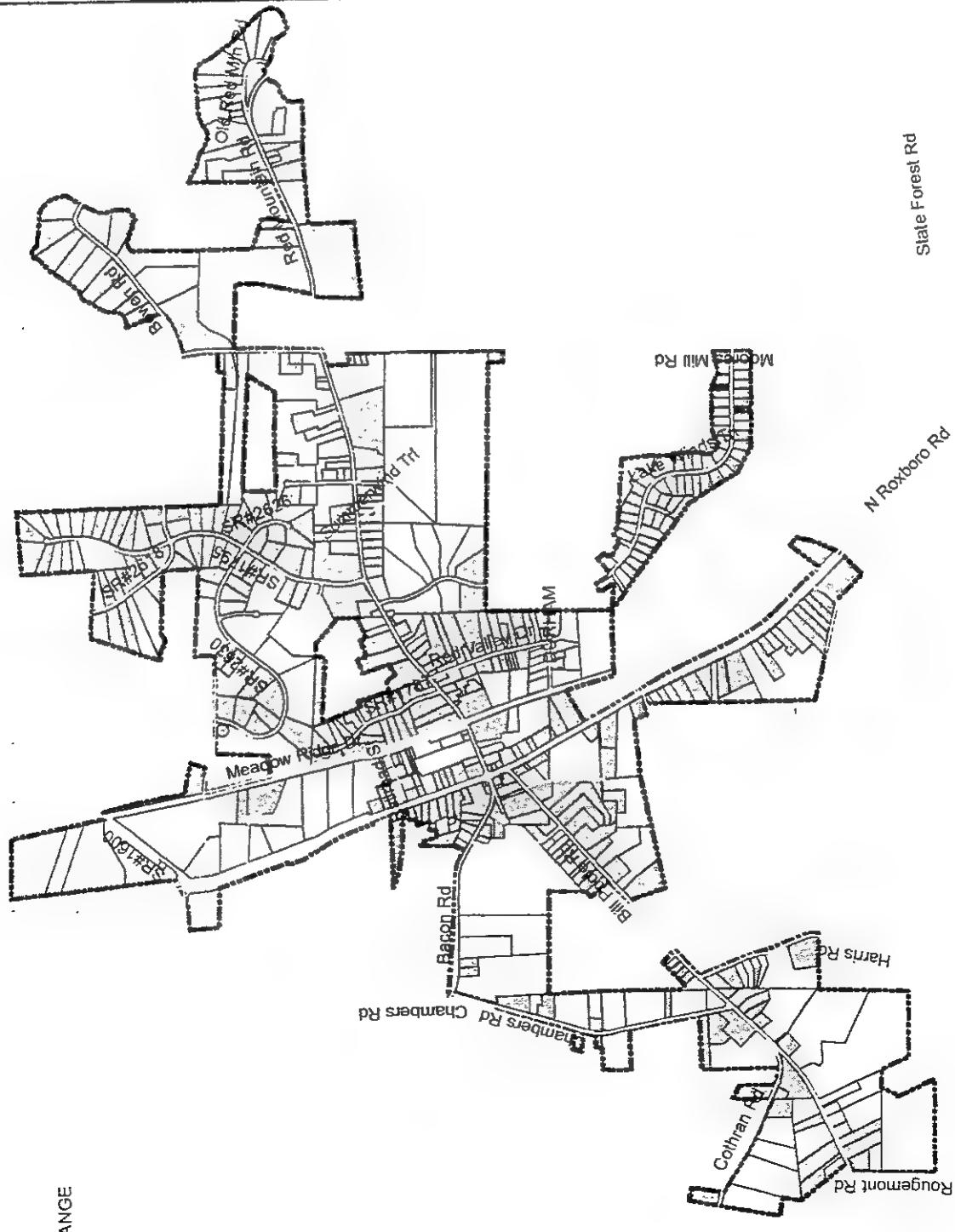
2,400 Feet



Map produced 7.8.2005

PERSON

ORANGE



Quail Roost Farm Rd

1. Sales Tax Revenue Change:

Durham County distributes sales tax revenues on a per capita basis. This analysis uses 2004-05 actual sales tax distribution to show how that distribution would have changed had Rougemont been incorporated at that time.

Current

County	Municipalities	Population	% Population	Sales Tax Distribution
Durham		233,548	53.8%	39,395,766
	Chapel Hill	2,019	0.5%	340,505
	Durham	198,644	45.7%	29,726,685
	Morrisville	-	0.0%	0
	Raleigh	142	0.0%	22,037
	TOTAL	434,353		69,484,994

With Incorporation

County		Population	% Population	Sales Tax Distribution	Change
Durham		233,548	53.6%	37,276,199	(2,119,568)
	Chapel Hill	2,019	0.5%	322,249	(18,256)
	Durham	198,644	45.6%	31,705,231	1,978,546
	Morrisville	-	0.0%	-	-
	Raleigh	142	0.0%	22,664	627
	Rougemont	994	0.2%	158,651	
	TOTAL	435,347		71,260,093	

2. Powell Bill Allocation Change

Annually state street aid or Powell Bill allocations are made to incorporated municipalities which establish their eligibility and qualify as provided by G.S. 136-41.1-3. The amount allocated to each municipality is based on both population and qualifying street miles within the municipality.

FY 2003-04 population-based allocations assumed a total, statewide municipal population of 4,331,622 and available funds of \$101,479,153. This created a per capita distribution rate of \$ 23.43.

Adding the new population of Rougemont (994) to the statewide total creates a new population of 4,332,616. However, the change is too small to have a visible impact on the per capita distribution rate, which would remain the same. Therefore, incorporation will have no impact on the Powell Fund distributions received by other Durham county municipalities.

3. Utility Excise Tax:

Of the 3.22% state excise tax rate on the in-state gross receipts of gas, power and light and telephone companies, 3.09 percentage points (or 96% of collections) are distributed to the respective municipalities within which these services took place. In 2002-03 the statewide total was \$127.3 million.

Because Rougemont only incorporates new areas (areas not currently a part of another municipalities) no revenue shift is expected. Any revenue received by Rougemont from this tax would be new or drawn from the NC General Fund.

Note: Population numbers used for sales tax and Powell bill allocation vary due to the year used by the controlling agency.

Prepared by:

Linda Struyk Millsaps, Fiscal Research Division.

Alexei Pavlichev, Fiscal Research Division.

July 8, 2005

8/1/05

**Assessment of Petition
by
Town of Rougemont
(Durham County)
for
Incorporation**

**Relative to NC G.S. 120-167
through NC G.S. 120-170**

Revised 3/7/2007

North Carolina Department of Commerce

Division of Community Assistance

Division of Community Assistance (DCA) staff has reviewed the petition for incorporating the Town of Rougemont relative to NC G.S. 120-167 through G.S. 120-170. The following discussion addresses each of these sections of the General Statutes.

NC G.S. 120-167 Additional criteria; population.

NC G.S. 120-167 refers to population and requires that the permanent population must be at least 100 and a population density (permanent and seasonal) of at least 250 persons per square mile. The Durham County Board of Elections determined there are 646 registered voters living in the proposed Town of Rougemont, exceeding the required minimum permanent population. The Division of Community Assistance performed a land use survey of the subject area, identifying 332 dwelling units. The 2000 US Census Bureau data estimates an average of 2.40 persons per household for Durham County and a housing occupancy rate of 93.3 percent. This suggests that 743 persons are likely to reside in a total land area of 2.858 square miles. DCA has calculated Rougemont total population density at 259.972 persons per square mile (permanent and seasonal). It appears that NC G.S. 120-167 is satisfied.

NC G.S. 120-168 Additional criteria; development.

NC G.S. 120-168 refers to development and requires that at least 40 percent of the area must be "developed for residential, commercial, industrial, institutional, or governmental uses, or is dedicated as open space under the provisions of a zoning ordinance, subdivision ordinance, conditional or special use permit, or recorded restrictive covenants." (1985 (Reg. Sess., 1986), c. 1003, s. 1.)

DCA used a land use survey combined with an analysis of available tax information and aerial photographs to determine the degree of development. The survey considered parcels as "developed" if they had land use characteristics that were residential, commercial, institutional or governmental, industrial, or dedicated open spaces. Vacant parcels, forested parcels, or agricultural parcels were considered "undeveloped." Parcels with less than 1 dwelling per 5 acres were also considered "undeveloped".

DCA's analysis indicated that 40.054 percent of the subject area, as presently proposed, is developed (see Table 1 and Map A). It appears that NC G.S. 120-168 is satisfied.

Table 1:
Development Relative to NC G.S. 120-168

Land Use	Acres
Commercial	15.732
Industrial	0.00
Institutional/Public/Utility	54.934
Residential	582.515
Open Space/Common Areas	15.763
Undeveloped	1001.161
Total acreage	1670.105
Total Developed Acreage	668.944
% Developed	40.054%

NC G.S. 120-169 Additional criteria; area unincorporated.

NC G.S. 120-169 requires that none of the area proposed for incorporation may be included within the boundary of another incorporated municipality. DCA compared the proposed boundary for the Town of Rougemont with the most recently updated Durham County (GIS) data as well as the North Carolina Department of Transportation (GIS) data and found no evidence that any of the subject area is part of an incorporated municipality. It appears that NC G.S. 120-169 is satisfied.

NC G.S. 120-169.1 Additional criteria; services.

NC G.S. 120-169.1(b) requires that the area to be incorporated submit a plan for providing a reasonable level of municipal services. To meet the requirements of this section, the persons submitting the plan for incorporation must propose to provide at least four of the following services:

- 1) Police protection.
- 2) Fire protection.
- 3) Solid waste collection or disposal.
- 4) Water distribution.
- 5) Street maintenance.
- 6) Street construction or right-of-way acquisition.
- 7) Street lighting.
- 8) Zoning.

The proposed Town of Rougemont has submitted a sufficient plan for providing four out of eight of the above services. Rougemont will provide fire protection, police protection, street lighting, and zoning. Fire protection will be provided through an agreement with the Bahama Fire, Rescue, EMS Co, Inc. Police protection will be provided through an agreement with the Durham County Sheriff's Department. Street

lighting will be provided by the Town of Rougemont. Zoning will be adopted and administered by the Town of Rougemont. It appears that NC G.S. 120-169.1(b) is satisfied.

NC G.S. 120-170 Findings as to services.

NC G.S. 120-170 requires that the proposed municipality can provide, at a reasonable tax rate the services requested by the petition and that the proposed municipality can provide at a reasonable tax rate the types of services usually provided by similar municipalities. Rougemont has proposed an \$.11/\$100 property tax rate with an estimated property tax revenue of \$89,276. As a result of the types of services the Town of Rougemont plans to provide and the manner in which those services would be provided, the proposed \$.11/\$100 property tax rate appears to be reasonable.

There is insufficient data available on newly incorporated municipalities to accurately compare their tax rate with the tax rate proposed by Rougemont. However, to give some indication of a comparison of Rougemont tax rate and that assessed by other similar municipalities, DCA compared Rougemont with the North Carolina Department of Treasurer 2004 Municipal Financial Profiles for municipal populations between 500 and 999 persons. Rougemont has proposed an \$.11/\$100 property tax rate with an estimated property tax revenue of \$89,276. In comparison, the North Carolina Department of Treasurer indicates in its report an average property tax rate of \$0.2734/\$100 assessment and average property tax revenue of \$193,401. For the proposed Town of Rougemont to generate similar revenues it would need to levy a property tax rate of \$0.2335/\$100 assessment (assuming a total assessment of \$82,816,314). As stated above, Rougemont can provide the four proposed services at a reasonable tax rate, but would not likely be able to provide additional services without a property tax rate increase. It appears that NC G.S. 120-170 is satisfied.

Conclusion

It appears that the proposed Town of Rougemont does satisfy the criteria of General Statutes 120-167 through 120-170.

The Commission is not precluded from making a positive recommendation on the incorporation of the proposed Town of Rougemont.

Information sources:

Petition for Incorporation of the Town of Rougemont
2000 US Census (referenced 05/05), <http://www.census.gov/>
Durham County GIS Department, Parcel Data and Assessment Data
North Carolina Office of State Treasurer (referenced 07/05)
http://www.treasurer.state.nc.us/lgc/units/D_NE.htm

Map A
Town of Rougemont
Phase 2 Incorporation
Study

Legend

	Rougemont_3-22-07
	Residential
	Commercial
	Institutional/Public/Utility
	Open Space/Common Areas
	Undeveloped



1,900
Feet



Revised: 03/22/2007

